



Work and Barriers to Work among Welfare Recipients in 2002

by Sheila R. Zedlewski

No. 3

Six years after the enactment of welfare reform, the welfare caseload remains heterogeneous. A larger share of those on welfare in 2002 arrived on the rolls recently compared with those on welfare in 1999. The 2002 new entrants are less likely to be working than new entrants in previous years. Still, compared with those who have been on the rolls consistently or intermittently, new entrants face fewer barriers to work. While the overall level of disadvantage among welfare recipients remains unchanged from earlier years, the composition of the caseload continues to evolve.

New results from the 2002 National Survey of America's Families (NSAF) provide a current picture of the work status and barriers to work among adults on welfare. The NSAF data report the responses of a nationally representative sample of adults receiving welfare in 2002. Compared with NSAF results from 1999, the 2002 data reflect a period when major new welfare reforms, first implemented in 1997, were entrenched more firmly in states' welfare offices and when the economic environment was less favorable. The unemployment rate was 5.8 percent in 2002, compared with 4.2 percent in 1999.

This Snapshot compares the current work status and barriers to employment of adults on welfare in 2002 with those of adults on welfare in 1999. This analysis focuses exclusively on adults receiving TANF benefits who are likely to be subject to work requirements.¹ Barriers to work are those shown in an earlier study to significantly reduce work activity (Zedlewski 1999). This analysis also examines the composition of the caseload based on recipients' recent welfare histories. Recipients are divided into three groups: welfare entrants, who first entered welfare in the past two years; cyclers, who first received welfare more than two years ago but have received it only intermittently over the past two years; and stayers, who

first received welfare more than two years ago and have been on welfare continuously for the past two years.

Policy Context

Understanding the capacity for work among those on welfare is critical, as the congressional welfare reauthorization debate has focused on work requirements. Both houses of Congress appear to agree with the Bush administration that the work participation

rate—the percentage of the caseload that states must engage in work-related activities—should increase from the current 50 percent to 70 percent by October 2007. But the House and the Senate differ on the amount and types of work activity that should count as participation. Current law requires 20 hours of work per week for mothers with children under age 6 and 30 hours per week for mothers with older children. The House passed a bill (H.R. 4) that follows the administration's reauthorization proposal in requiring that welfare recipients engage in 40 hours of work activity per week, and that the first 24 hours of activity be paid or unpaid work. A bill was introduced in the Senate (S. 5) that contains similar provisions, but many senators have

declared their intention to retain the current hours-of-work requirement and increase the amount of education that can count as work activity.

The viability of these different approaches hinges to a large extent on the work capacity of the recipients. Many studies have documented high levels of disadvantage among the welfare caseload, especially among those who have been on welfare for relatively long periods. (See, for example, Moffitt et al. 2002; Zedlewski and Alderson 2001). Also, many states have begun to focus Temporary Assistance for Needy Families (TANF) dollars on

DATA AT A GLANCE

NEW WELFARE RECIPIENTS INCREASED FROM 26 PERCENT OF THE WELFARE CASELOAD IN 1999 TO 34 PERCENT IN 2002.

51 PERCENT OF WELFARE RECIPIENTS WITH NO BARRIERS TO EMPLOYMENT WERE WORKING COMPARED WITH 14 PERCENT OF RECIPIENTS WITH TWO OR MORE BARRIERS.

ABOUT HALF OF LONG-TERM STAYERS REPORTED MULTIPLE BARRIERS TO EMPLOYMENT.



Table 1. Work Barriers of Current Caseload, 1999 and 2002 (percent)

	1999	2002
Barriers		
Very poor mental or physical health	35.7	34.6
Education less than high school	44.1	41.8
Last worked three or more years ago	27.7	29.5
Has an infant*	17.1	18.9
Has a child on Supplemental Security Income	5.7	8.2
Spanish interview	5.0	9.7 [^]
Number of Barriers		
Zero	19.7	22.9
One	39.8	33.3
Two or more	40.6	43.8

Sources: 1999 and 2002 National Survey of America's Families

Notes: Includes adults likely to be subject to work requirements.

* An infant is a child under the age of one.

[^] Increase from 1999 is significant at the 0.10 level.

services that address barriers to work among recipients, hoping to prepare them for paid work and welfare exit before they reach time limits (National Conference of State Legislatures 2002). This move away from states' earlier policies that focused almost exclusively on finding any paid work for recipients recognizes that a segment of the welfare population requires specialized services before it can be expected to work.

Work Activity and Barriers among the Caseload

A comparison of six key barriers to work among welfare recipients shows very little change from 1999 to 2002 (table 1). In both years, about one-third of the caseload reported very poor mental or physical health, and four out of 10 had not completed their high school education. Almost three in 10 had no work experience in three or more years. About one in five had an infant, and 5.7 to 8.2 percent were caring for a child on the Supplemental Security Income (SSI) program. The incidence of multiple barriers, a strong predictor of work ability, was about the same in both years. Four out of 10 recipients had

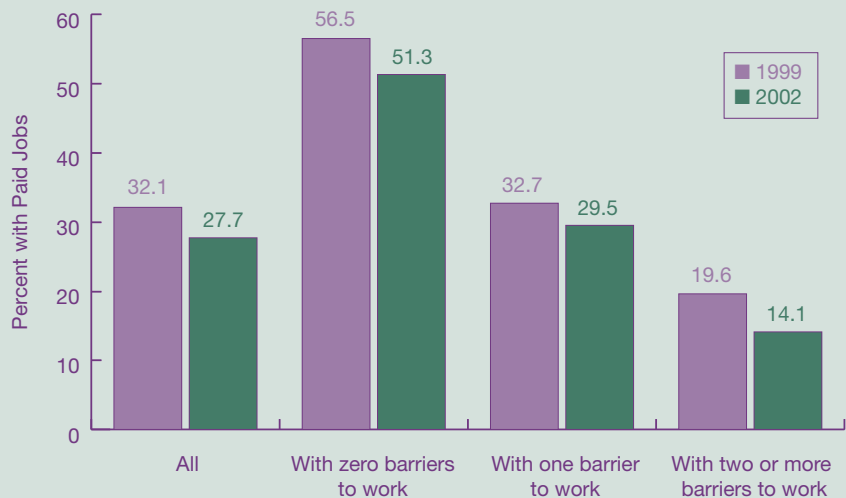
two or more barriers to work. An increase in Spanish-speaking families was the only significant difference in barriers among the caseload (9.7 percent in 2002 compared with 5.0 percent in 1999).

The share of adults on welfare with paid jobs dropped from 32.1 percent in 1999 to 27.7 percent in 2002 (figure 1). This reduction, while not statistically significant, conforms to the slight reductions in earnings among recipients found in the administrative data for fiscal year 2001 (U.S. Department of Health and Human Services 2003). These data also show the dramatic differences in employment rates for those with multiple barriers to employment. Only 14.1 percent of those with two or more barriers reported working at the time of their interviews in 2002, but 51.3 percent of those without barriers were working while receiving welfare.

Work Activity and Barriers by Time on Welfare

Researchers have found that barriers to employment vary depending on time on welfare. Long-term stayers and cyclers tend to have more barriers to employment than new entrants. Thus, the amount of turnover among the caseload can affect the average incidence of barriers to employment.

Figure 1. Current Work Status of TANF Caseload, 1999 and 2002



Sources: 1999 and 2002 National Survey of America's Families

Note: Includes adults receiving TANF and likely to be subject to work requirements.

In 2002, welfare entrants were a significantly larger share of the caseload than in 1999 (table 2). About one in three adults reporting current welfare benefits in 2002 had entered welfare for the first time in the past two years, compared with one in four in 1999. This increase in the share of new entrants coincided with the rise in unemployment that began in March 2000 and continued through 2002.

The increased share of new entrants among the caseload in 2002 brought down the average level of barriers to employment among the entire caseload. As in 1999, new entrants in 2002 had fewer barriers to employment than long-term stayers or cyclers (see Zedlewski and Alderson 2001 for 1999 statistics).

Significantly fewer new entrants lacked work experience in the last three years compared with stayers (24.0 percent compared with 38.8 percent), and they were significantly less likely to lack English skills. New entrants reported better health and education than stayers, although these differences were not statistically significant. Significantly fewer new entrants reported multiple barriers to employment.

The 2002 results also confirm that cyclers had relatively high levels of barriers to employment. Cyclers' health status was worse than that of stayers. Also, about eight out of 10 cyclers reported at

least one barrier to employment, a level not significantly different from that among the long-term stayers.

The characteristics of long-term stayers changed somewhat in 2002 compared with 1999. They were significantly more likely to have an infant (a child less than a year old) and to lack English skills in 2002 than in 1999, confirming the negative effect of these barriers on employment.

Employment also differed by recent welfare experience. The percentage of new entrants in paid jobs in 2002 was about half that reported in 1999 (16.7 percent compared with 30.5 percent, figure 2). In contrast, more than one-third of cyclers and stayers were employed in 2002, similar to their employment rates for 1999. Since the incidence of employment barriers among the 2002 entrant group did not differ from that observed in 1999, their significantly lower employment rate probably reflects the economy. More mothers turned to welfare in 2002 because they could not find a job. However, continued high employment rates among the cyclers and long-term stayers suggest the success of state policies that require, encourage, and support work among those on the caseload for longer periods.

Discussion

The welfare caseload is heterogeneous. It includes parents with relatively few serious barriers to employment who turn to welfare for short periods when jobs are difficult to find and those with significant and serious barriers to employment who remain on welfare or leave and cycle back as jobs and independence prove difficult to maintain. The results presented here confirm the high rates of disadvantage among those who have been on welfare for longer periods. Almost half of the cyclers and stayers had multiple barriers to employment, particularly low levels of education and limited work experience. Employment rates were especially low for those with multiple barriers to work.

States must adjust work requirements and service delivery systems to the needs of individual clients. Some clients need intensive service intervention—language training, completion of a general equivalency diploma (GED), or specialized job training—in order to find and retain work. Others can leave welfare with some help finding a job, if jobs are available. The work participation requirements defined in the welfare reauthorization law should recognize the heterogeneity of the caseload and establish realistic expectations for states and families trying to move from welfare to work.

Table 2. Barriers to Work by Length of Time on Welfare, 2002 (percent)

	Entrants	Cyclers	Stayers
Share of Total Caseload			
1999	25.9	23.7	47.4
2002	33.8 [^]	23.9	37.9
Barriers			
Very poor mental or physical health	28.2	47.2 [*]	34.8
Education less than high school	34.4	44.0	44.5
Last worked three or more years ago	24.0 [*]	24.0 [*]	38.8
Has an infant ^a	23.8 [*]	19.2	14.4 [^]
Has a child on Supplemental Security Income	8.8	8.0	7.5
Spanish interview	4.5 [*]	3.8 [*]	17.9 [*]
Number of Barriers			
Zero	25.9	19.0	23.1
One	36.7 [^]	35.1	27.3
Two or more	37.5 [*]	45.9	49.6

Sources: 1999 and 2002 National Survey of America's Families

Notes: Includes adults receiving TANF and likely to be subject to work requirements (see text). Entrants first entered welfare in the past two years. Cyclers first received welfare more than two years ago but have received it only intermittently over the past two years. Stayers first received welfare more than two years ago and have been on welfare continuously for the past two years.

^a An infant is a child under the age of one.

[^] Increase from 1999 is significant at the 0.10 level.

^{*} Estimate is significantly different from estimate for stayers at the 0.10 level.

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Endnote

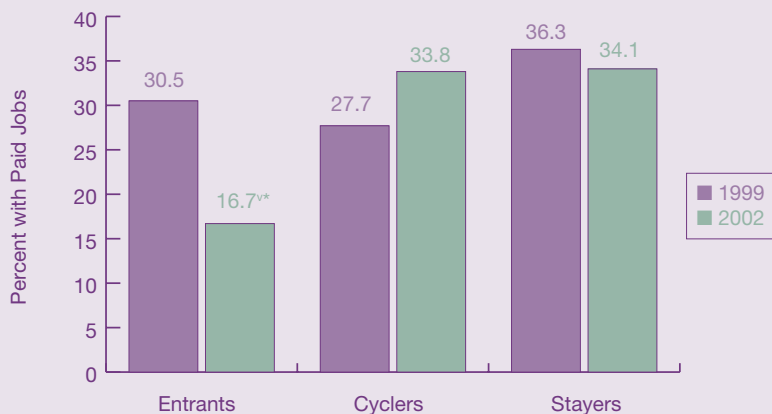
¹ Specifically, we exclude adults in families receiving TANF who are not the parents of the children and adults receiving federal disability benefits, including Supplemental Security Income (SSI) and Social Security disability income.

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Figure 2. Relationship of Length of Time on Welfare to Current Work Status, 1999 and 2002



Sources: 1999 and 2002 National Survey of America's Families

Notes: Includes adults receiving TANF and likely to be subject to work requirements. For definitions of entrants, cyclers, and stayers, see table 2.

^v Decrease from 1999 is significant at the 0.10 level.

* Estimate for 2002 entrants is significantly different from estimate for 2002 stayers at the 0.10 level.

SNAPSHOT 3
of America's Families



Snapshots III presents findings from the 1997, 1999, and 2002 rounds of the National Survey of America's Families (NSAF). Information on more than 100,000 people was gathered from approximately 40,000 representative households in each round. The NSAF is part of the *Assessing the New Federalism* project (ANF). Information on ANF and the NSAF can be obtained at <http://www.urban.org/anf>.

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